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**ALLEN PARISH FIRE PROTECTION
DISTRICT NO. 3**

Grant, Louisiana

Financial Report

Year ended December 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-20-05

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ACCOUNTANTS' REPORT

Board of Commissioners
Allen Parish Fire Protection District No. 3
Grant, Louisiana

We have compiled the accompanying general purpose financial statements of the Allen Parish Fire Protection District No. 3, a component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them. However, we did become aware of a departure from generally accepted accounting principles that is described in the following paragraph.

Management has not presented the government-wide financial statements and management's discussion and analysis, required by Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for States and Local Governments. The amount by which this departure affects the financial statements is not reasonably determinable.

We are not independent with respect to Allen Fire Protection District No. 3.

Kolder, Champagne, Slaven & Company, LLC
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June 30, 2005

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**GENERAL PURPOSE
FINANCIAL STATEMENTS**

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3
Grant, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 2004

	Governmental Fund Types			Account Groups		Totals
	General	Debt Service	Capital Projects	General Fixed Assets	General Long-Term Debt	(Memo Only)
ASSETS AND OTHER DEBITS						
Cash and interest-bearing deposits	\$ 97,785	\$ -	\$ 78,995	\$ -	\$ -	\$ 176,780
Receivables -						
Ad valorem taxes	39,119	53,451	-	-	-	92,570
Due from other funds	136,040	72,448	75,299	-	-	283,787
Fixed assets	-	-	-	627,283	-	627,283
Amount available in debt service funds	-	-	-	-	95,267	95,267
Amount to be provided for retirement of general long-term debt	-	-	-	-	229,733	229,733
	<u>\$ 272,944</u>	<u>\$ 125,899</u>	<u>\$ 154,294</u>	<u>\$ 627,283</u>	<u>\$ 325,000</u>	<u>\$ 1,505,420</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ 425	\$ -	\$ -	\$ -	\$ -	\$ 425
Due to other funds	117,115	30,632	136,040	-	-	283,787
General obligation bonds payable	-	-	-	-	325,000	325,000
Total liabilities	<u>117,540</u>	<u>30,632</u>	<u>136,040</u>	<u>-</u>	<u>325,000</u>	<u>609,212</u>
Fund equity:						
Investment in general fixed assets	-	-	-	627,283	-	627,283
Fund balances						
Reserved for debt service	-	95,267	-	-	-	95,267
Designated	-	-	18,254	-	-	18,254
Unreserved, undesignated	<u>155,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,404</u>
Total fund equity	<u>155,404</u>	<u>95,267</u>	<u>18,254</u>	<u>627,283</u>	<u>-</u>	<u>896,208</u>
Total liabilities and fund equity	<u>\$ 272,944</u>	<u>\$ 125,899</u>	<u>\$ 154,294</u>	<u>\$ 627,283</u>	<u>\$ 325,000</u>	<u>\$ 1,505,420</u>

See accompanying notes and accountants' report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3
Grant, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended December 31, 2004

	Governmental Fund Types			Totals (Memo Only)
	General	Debt Service	Capital Projects	
Revenue:				
Ad valorem taxes	\$ 40,805	\$ 54,398	\$ -	\$ 95,203
Grants	9,809	-	53,300	63,109
Local sources	500	-	450	950
Interest	1,207	87	809	2,103
Total revenues	<u>52,321</u>	<u>54,485</u>	<u>54,559</u>	<u>161,365</u>
Expenditures:				
Current -				
Professional fees	2,430	-	-	2,430
Auto expenditures	1,828	-	-	1,828
Insurance	9,931	-	-	9,931
Maintenance	9,507	-	-	9,507
Miscellaneous	135	250	-	385
Office supplies	2,239	-	-	2,239
Supplies	-	-	9,282	9,282
Pension commission	1,424	1,932	-	3,356
Postage	83	-	-	83
Salaries	474	-	-	474
Taxes & licenses	85	-	-	85
Training	227	-	-	227
Travel	2,753	-	-	2,753
Utilities	2,094	-	-	2,094
Capital outlay	-	-	27,500	27,500
Debt service -				
Principal	-	30,000	-	30,000
Interest and fiscal charges	-	16,343	-	16,343
Total expenditures	<u>33,210</u>	<u>48,525</u>	<u>36,782</u>	<u>118,517</u>
Excess of revenues over expenditures	<u>19,111</u>	<u>5,960</u>	<u>17,777</u>	<u>42,848</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	19,111	5,960	17,777	42,848
Fund balances, beginning	<u>136,293</u>	<u>89,307</u>	<u>477</u>	<u>226,077</u>
Fund balances, ending	<u>\$155,404</u>	<u>\$ 95,267</u>	<u>\$ 18,254</u>	<u>\$ 268,925</u>

See accompanying notes and accountants' report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3
Grant, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget (GAAP Basis) and Actual - General Fund
Year Ended December 31, 2004

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Ad valorem taxes	\$ 41,000	\$ 40,805	\$ (195)
Grants	-	9,809	9,809
Local sources	500	500	-
Interest	900	1,207	307
Total revenues	<u>42,400</u>	<u>52,321</u>	<u>9,921</u>
Expenditures:			
Current -			
Professional fees	2,200	2,430	(230)
Auto expenditures	1,300	1,828	(528)
Insurance	10,000	9,931	69
Maintenance	11,500	9,507	1,993
Miscellaneous	175	135	40
Office supplies	2,500	2,239	261
Pension commission	1,400	1,424	(24)
Postage	100	83	17
Salaries	600	474	126
Taxes & licenses	100	85	15
Training	500	227	273
Travel	3,000	2,753	247
Utilities	2,000	2,094	(94)
Total expenditures	<u>35,375</u>	<u>33,210</u>	<u>2,165</u>
Excess of revenues over expenditures	7,025	19,111	12,086
Other financing uses:			
Transfers out	<u>(4,000)</u>	<u>-</u>	<u>4,000</u>
Excess of revenues over expenditures and other uses	3,025	19,111	16,086
Fund balances, beginning	<u>136,293</u>	<u>136,293</u>	<u>-</u>
Fund balances, ending	<u>\$ 139,318</u>	<u>\$ 155,404</u>	<u>\$ 16,086</u>

See accompanying notes and accountants' report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3
Grant, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Business

Allen Parish Fire Protection District No. 3 was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the citizens of District 3 of Allen Parish. The district is governed by a board of commissioners composed of five members appointed by the Allen Parish Police Jury.

The accompanying general purpose financial statements of the Allen Parish Fire Protection District No. 3 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the police jury appoints all members to the governing body and has the ability to impose its will on the District, the District was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by the governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The various funds and account groups are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3
Grant, Louisiana

Notes to Financial Statements (Continued)

Governmental Fund Types -

General Fund -

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund -

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund -

The Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction or improvement of capital facilities and equipment not reported in the other governmental funds.

Account Groups -

General Fixed Assets Account Group -

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes.

General Long-Term Debt Account Group -

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3
Grant, Louisiana

Notes to Financial Statements (Continued)

E. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

All purchased fixed assets are stated at historical cost or estimated historical costs if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

F. Budget and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to December 15, the Treasurer submits to the Chairman and Board of Commissioners a proposed operating budget for the period commencing the following January 1.

A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

After the holding of the public hearing and the completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of resolution prior to the commencement of the fiscal year for which the budget is being adopted.

Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3
Grant, Louisiana

Notes to Financial Statements (Continued)

All budgetary appropriations lapse at the end of each fiscal year.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Commissioners.

G. Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

H. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must equal the amount on deposit with the fiscal agent. At December 31, 2004 the District had \$176,780 in deposits (collected bank balances). Deposits of \$100,000 were secured from risk by federal deposit insurance and \$76,780 was secured by pledged securities.

I. Total Columns on Statements

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Ad Valorem Taxes

Property tax millage rates are adopted in December for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3
Grant, Louisiana

Notes to Financial Statements (Continued)

For the year ended December 31, 2004, taxes of 22.93 mills were levied on property with taxable assessed valuations totaling \$4,192,720, and were dedicated as follows:

Maintenance	9.93 mills
Bond sinking	13.00 mills

Total taxes levied for 2004 were \$96,140. All taxes received by the tax collector between January and April 2005 was considered receivable at December 31, 2004. Taxes receivable at December 31, 2004 were \$92,570.

(3) Interfund Receivables and Payables.

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 136,040	\$ 117,115
Debt Service Fund	72,448	30,632
Capital Projects Fund	<u>75,299</u>	<u>136,040</u>
 Totals	 <u>\$ 283,787</u>	 <u>\$ 283,787</u>

(4) General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Land</u>	<u>Totals</u>
Balance, December 31, 2003	\$ 214,246	\$ 382,887	\$ 2,650	\$ 599,783
Additions	-	27,500	-	27,500
Deletions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2004	<u>\$ 214,246</u>	<u>\$ 410,387</u>	<u>\$ 2,650</u>	<u>\$ 627,283</u>

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3
Grant, Louisiana

Notes to Financial Statements (Continued)

(5) General Long-Term Debt

A. Debt Outstanding

\$460,000 general obligation bonds dated April 1, 1998 due in annual installments of \$10,000 to \$45,000 through April 1, 2013; interest at 4.2% to 5.2% (this issue secured by levy and collection of ad valorem taxes)

\$ 325,000

The following is a summary of the long-term debt transactions during the year:

	<u>2004</u>
Long-term debt payable at January 1, 2004	\$ 355,000
Additions	-
Deductions	<u>(30,000)</u>
Long-term debt payable at December 31, 2004	<u>\$ 325,000</u>

B. Debt Service Requirements to Maturity

The annual requirements to amortize all debt outstanding at December 31, 2004 is as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 30,000	\$ 15,083	\$ 45,083
2006	30,000	13,822	43,822
2007	30,000	12,413	42,413
2008	35,000	10,723	45,723
2009	35,000	8,981	43,981
2010 - 2013	<u>165,000</u>	<u>16,825</u>	<u>181,825</u>
	<u>\$ 325,000</u>	<u>\$ 77,847</u>	<u>\$ 402,847</u>

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 3
Grant, Louisiana

Notes to Financial Statements (Continued)

(6) Risk Management

The District is exposed to various risks of loss related to torts; theft of damage to destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

(7) Reserved/Designated Fund Equity

Reservations or designations of equity show amounts that are not appropriate for expenditure or are legally restricted for specific uses. The purpose for each is indicated by the account title on the face of the balance sheet.

(8) Pending Litigation

There are no lawsuits pending against the District involving monetary liability at December 31, 2004.